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The Internationalization of Latin American Enterprises – empirical and theoretical perspectives

Special issue of the *Journal of Business Research*

Guest Editors: Luciano Ciravegna (King's College, London), Sumit K. Kundu (Florida International University), Luis Lopez (INCAE)[1]

Between 2000 and 2014 emerging markets generated the lion share of the world's economic growth, and a rising share of its trade and investment flows (Ciravegna, Fitzgerald and Kundu, 2013). For the first time since the industrial revolution, the world economy has ceased to be mainly driven by a small array of developed economies. As a result, managers and business scholars are focusing more on the dynamics of emerging markets (Buckley, Clegg, Cross, Liu, Voss, and Zheng, 2007; Cavusgil, Ghauri, and Akcal, 2012; Guillen and Garcia-Canal, 2012; Khanna and Palepu, 2010; Wright, Filatotchev, Hoskisson, and Peng, 2005; Cuervo-Cazurra, 2012). Such efforts to enrich academic research as to include empirical evidence from the much under-studied emerging markets are far from incomplete – studies of the US, Europe and Japan continue to dominate in world leading journals. Nonetheless, the growing interest in emerging economies uncovered some of the structural differences between developed and developing economies, differences that are well-understood by the people and organizations that operate in such contexts, and yet continue not to feature in the mainstream business theories included in textbooks and academic articles (Khanna and Palepu, 2010).

The accelerated growth experienced by emerging markets provided local firms with healthy profits, often employed to support international expansion (Ciravegna et al., 2014). This contributed to the rise of emerging market multinationals (EMNEs) (Ramamurti and Singh, 2009; Cuervo-Cazurra, 2012; Luo and Rui, 2009; Yamakawa, Peng and Deeds, 2008). EMNEs may internationalize differently from advanced economies' multinationals (Guillén and García-Canal, 2009; Luo and Rui, 2009; Matthews, 2007; Yiu, Lau and Bruton, 2007). According to Luo and Tang's (2007), EMNEs internationalize before reaching a stage of maturity in domestic markets because internationalization nurtures the acquisition of capabilities and assets that they may lack. The aggressive internationalization of Chinese and Indian firms seems to provide empirical support to this argument, though it could also be interpreted as a strategy to escape from unpredictable domestic markets (Khanna and Palepu, 2010; Madhok and Keyhani, 2012). Other scholars, such as Narula (2012) argue that EMNEs behave similarly to other multinationals, only they have different sets of country specific and firm specific advantages.

Most of the studies of EMNEs focus on a very small number of emerging markets, especially China and India (Ciravegna, Fitzgerald, and Kundu, 2013). In spite of having been, by large, ignored by academic scholars, several Latin American firms have internationalized in aggressive and innovative ways, often outcompeting established players (Casanova, 2009). Latin American firms are now among the world global players in several industries, ranging from cement (Cemex), to aerospace (Embraer), and sweets

[1] The authors tank the AIB-LAT Conference and Ivan Pineda for their support.

(Arcor) (Guillén and García-Canal, 2009; Cuervo-Cazurra, 2008). Nonetheless, the internationalization strategy of Latin American firms continues to suffer from under-representation in the international business, international management, international marketing, and international entrepreneurship literature (Pérez-Batres, Pisani, & Doh, 2010; Crittenden and Woodside, 2006).

International business scholars point that Latin American firms internationalize rather regionally, though the number of empirical studies examining the phenomenon is limited, and tends to focus on a few well known cases, whereas the majority of Latin American firms, including mid-sized multinational companies, have thus far been under the radar of scientific research (Casanova, 2009; Lopez, Ciravegna and Kundu, 2009; Rugman and Verbeke, 2004). The result is an empirical gap with regards to the generalizability of emerging market enterprises' theories to Latin American firms. This Special Issue of *JBR* contributes to the debate with a specific focus on the internationalization of Latin American firms, shedding light on the mechanisms through which the context, i.e. being based in Latin America, affects firm-level outcomes.

Several leading scholars have shown the importance of studying and understanding context, pointing out that not only today's interconnected and globalized world isn't flat, but location matters more than ever, influencing social and economic interactions (Ghemawat, 2001; Rugman and Verbeke, 2004). Different countries and regions have different histories, and thus different institutions, which lead people and organizations to behave differently. For example, the cost of moving a ton of products for 100km, or the lead time for a container to be processed in a port change dramatically across countries, with Asian economies such as China outperforming by far most of Latin America. This in turn determines whether and where it is feasible to perform which activities, affecting FDI and firm strategy.

It could be argued that emerging economies suffer in general from institutional weakness but such weaknesses manifest themselves differently (Wright et al., 2005; Khanna and Palepu, 2010). The absence of major international conflicts in Latin America between 1945 and today contrasts starkly with the dramatic wars affecting Asia, including those of Korea, India-Pakistan, and Vietnam. Latin America, albeit not affected by large international conflicts, has not gone through a peaceful post World War two period – it suffered from very high political instability, resulting into coups, insurgencies, civil wars, repression, and state terrorism (Bethell, 1995). Such diverging histories leave meaningful marks on the context where the subject of our studies - firms, managers, entrepreneurs, and other organizations – live and interact. They contribute to explain the popularity of some leaders and the policies they implemented, as well as the resilience of some businesses and the failure of others. It is thus our duty as scholars to stop ignoring the role of context, and study how it affects firms based in different locations of emerging economies.

Between the 1950s and the 1980s high political and ideological confrontation, often linked to the dynamics of the Cold War, became a predominant feature of Latin America, erupting into insurgencies, revolutions, and coups that disrupted democracy in all countries except Costa Rica (Bulmer-Thomas, 2003). During this troublesome period several countries, such as Bolivia, Chile, Cuba and Nicaragua, experimented with extensive nationalization of private assets, though only Cuba became very similar to a soviet-style command economy. The majority of Latin American economies went through a period of import substitution industrialization, characterized by high tariffs, state intervention, and severe macroeconomic imbalances, such as high inflation and growing external indebtedness (Thorp, 1998). Under these conditions manufacturing grew, allowing some enterprises, both local and multinationals, to achieve high returns by selling outdated products, manufactured using second hand equipment, as tariffs isolated them from competition (Katz, 2001). The state financed infrastructural projects, welfare, education, and, in many cases, it acted as owner and manager of enterprises, generating, among others, some of the firms that will become multilatinas, notably the Brazilian Embraer, Petrobras and Vale, world leading firms in respectively aerospace, underwater oil extraction and iron mining. In spite of these few examples of excellence, during import substitution most manufacturing was highly inefficient in terms of quality and costs precisely because of excessive price distortions and its insulation from world markets (Thorp, 1998). Many economies, such as Brazil and Mexico, went through accelerated growth during import substitution industrialization. Yet, as governments failed to increase tax revenues, they financed growth through external debt, which became hard to sustain after the US increased its interest rates in 1979 (Fishlow, 1990).

Latin America responded to the post-1979 halt in external financing mostly through expansionary monetary policies, which exacerbated macroeconomic imbalances, making high inflation a hallmark of the region's economies. Operating in the region became highly linked to the ability to manage high inflation, currency crises, banking crises, and a broad range of bureaucratic measures that distorted prices (Ffrench-Davis, 2000; Ocampo, 2004; Thorp, 1998). The 1999 Asian crisis, as well as the 2008-2009 financial crisis and the problems faced by euro members illustrate that crises in the financial, banking, and currency areas are not unique to Latin America, nor are they a feature of emerging economies only. Yet, their frequency and intensity marked Latin America between the late 1970s and the early 2000s (Reinhart, C. M., & Rogoff, K. (2009). The firms we examine in this issue are often organizations that survived during these periods of extreme macroeconomic instability, displaying a remarkable ability to manage uncertainty and abrupt changes – again a reason for trying to understand better how they operate and how they internationalize (Ciravegna, Brenes, & Pichardo, 2017).

From 1980s onwards, most countries in Latin America adopted structural adjustment programs to reduce macroeconomic imbalances. Adjustment had dramatic socio-economic costs – it generated "la decada perdida", a decade of recession, during which all social indicators of the region deteriorated as the state cut spending on health, education and welfare (Thorp, 1998). Poverty, unemployment and economic recession helped fuelling internal conflicts in countries such as Colombia, Peru, Nicaragua, Guatemala and El Salvador.

In spite of the dramatic effects of the 1980s, by the 2000s Latin America managed to escape from a long period of authoritarianism, macroeconomic instability, and economic closure. The region returned to democracy and managed to end most of its internal conflicts, or at least reduced their impact (Panizza, 2009). Latin America's newly acquired stability, together with a rise in commodity prices fostered a period of solid economic growth and record-level foreign investment in Latin America (Santiso, 2009). Countries like Peru and Colombia moved from being economic backwaters to being the darlings of foreign investors (Ciravegna et al, 2014). Latin American firms thrived, exploiting growing local markets; they developed new products and services and started to internationalize (Brenes, Montoya and Ciravegna, 2014).

There are several examples of leading Latin American multinationals – the Colombian banking and finance Grupo Aval, for example, expanded investing in over 12 countries, including the US and Mexico, with a successful International Public Offering (IPO) on the New York Stock Exchange in the year 2014 (Agencia EFE, 2014). The Chilean Concha Y Toro has by now become one of the most recognized wine brands in the world, with presence in every continent and a sophisticated portfolio of products (Deshpande, Herrero, and Reficco, 2010). Bimbo, a Mexican firm, is the world's largest baked goods producer, having become one of the leading competitors in the US market, and having acquired a presence in Brazil and China (Kasturi Rangan, and Garcia-Cuellar, 2009). Brazil, being the largest economy, generated several successful multinationals, such as Vale (iron mining), and Marco Polo (bus and coach manufacturing). To understand these firms, it is necessary to discuss how their context influenced their development and internationalization.

Latin America's growth between 1990 and 2014 has been remarkable in comparison to its own performance during the 1970-1990 period (Hayes, 1989; Ciravegna et al., 2014a). It looks less impressive when compared to China, South Korea, Taiwan, or Vietnam – economies that did not experience the recession of the 1980s, and yet expanded faster than Latin America, between the 1990s and the 2010s. Some of the features that affected Latin America in the past became less prevalent or less severe, but they did not disappear altogether. First, although the majority of Latin American countries have become more open and more friendly to foreign investment, Cuba has remained, by large, a closed, state-centered economy, making only very gradual progress towards allowing private businesses to operate (Sweig and Bustamante, 2013). Other economies, such as Argentina, Venezuela, Ecuador and Bolivia reversed the economic liberalization process began during the 1980s-1990s, re-introducing several of the policy instruments common during the 1950s-1970s, ranging from new tariffs and subsidies, to direct state intervention, price controls and exchange controls (Lansberg-Rodriguez, 2014). It is, for example, more challenging to operate a private business now in Venezuela than it used to be in 1970s (Hausmann, and Rodríguez, 2006).

After a period of high economic growth, which gave it a world-level shine as part of the BRICS, Brazil seems to have lost its spark, affected by high taxation, and one of the most complex and cumbersome regulatory systems in the world (Rapoza, 2015). On the "doing business index" of the World Bank, only a few Latin American countries make it to the top forty, showing that, after two decades of reforms, it is still much harder to do business in the region than it is in other parts of the world that went through economic liberalization (see Table 1)

Table 1 here

Second, macroeconomic imbalances are not a thing of the past – Argentina went through a debt default, bank crisis, and currency crisis in 2001, and is now affected by high inflation and growing imbalances. Venezuela risks going through a debt crisis if it does not address the gap between government expenditure and government revenue generated by years of pro-cyclical spending. In both Argentina and Venezuela the government has been fixing prices and attempting controlling the exchange rate in order to curb inflation and support certain sectors (Devereux, 2014). Exporters suffered, reducing their output and often closing shop, whilst investment from abroad also dried up. Argentina also taxed heavily its exporters, causing, among others, the decline of its meat industry in a period of growing world demand for beef (Campbell, 2013).

Third, state intervention and the nationalization of assets is a much less accepted and less common event, but it occasionally occurs. Venezuela, for example, nationalized several companies, including supermarket chains, pharmacies, and agribusinesses (Mander, 2010) (ADD SOURCE). Bolivia and Ecuador nationalized their energy and utilities companies. Mexico, on the other hand, is going through a process of deregulation of its oil industry, which will generate important opportunities for foreign firms and perhaps help the emergence of new local firm (The Economist, 2014). Fourth, political risk remains an important feature in the region. Although all countries but Cuba are now democracies, and although the military has, by far, retreated to the barracks, democratic consolidation is far from complete, and democratic institutions are, in most cases, still fragile (Panizza, 2009). Corruption is still widespread, though civil society has become increasingly vocal about this. (See Table 2 and 3)

Table 2 Here

Since democratization there have been only a few coups or attempted coups. However, several governments of the region are led by leaders who changed the constitution several times in order to allow for their own re-election, ruling in a personalistic manner, and often meddling with the judiciary, policy and military (Lansberg-Rodriguez, 2014). These new manifestations of populism or simply old style caudillismo reduce clarity about rules and rule enforcement, making the business environment unpredictable and often difficult to manage. Society is freer than in the past, but it is still awfully common for journalists, activists, and opposition politicians to be harassed, jailed, or killed in Latin America. Mexico, Honduras, Guatemala, El Salvador, and Venezeula are heavily affected by gang violence, which makes some of their territories more dangerous than a war zone, hindering foreign investment and increasing dramatically the cost of doing business (see Table 4).

Table 4 here

Fifth, the region's performance in poverty reduction has been very positive. It has been led by Brazil, which through conditional cash transfers made an impact both empirically and theoretically in the field (The Economist, 2010) Latin America's poor are now a lower percentage of the population than in the previous two decades, and they have a much higher purchasing power, generating interesting opportunities for businesses that target the base of the pyramid reaching urban and rural marginal areas, such as Bimbo, the Mexican bakery products giant (Dussel Peters, 2012). It may be challenging for firms serving the base of the pyramid in their domestic market to leverage their capabilities to internationalize, which calls for further research on the internationalization of Latin American businesses.

Sixth, Latin America lags behind Asia in terms of education. In the future decades it may be harder to lift people from poverty unless access to education also improves. Latin American countries rank poorly in education, as the provision of public education suffers from low government spending, low quality controls, and curricula not aligned with the needs of the private sector (Hanushek and Woessmann, 2012). As a result, in general Latin America's skilled workers are expensive, whereas its large pool of unskilled labor remains confined to the underpaid and unproductive informal sector (Ferreira, Pessoa, & Veloso, 2011). Average wages for skilled workers are higher in Latin America than in Asia, making it necessary to focus on higher value added products and services in order to export competitively from the region.
Seventh, Latin America is a region characterized by large and difficult terrain, including the Andes mountains, deserts, and the Amazon. Most of its territories are scarcely populated, and many rural areas are still quite hard to reach. It is difficult and expensive to move people and goods within countries, and even more so across countries in the region. Highly bureaucratic, inefficient, and occasionally corrupt border controls add to infrastructural deficiencies, making intra-regional trade often more expensive than trade with Europe or Asia. This affects firm internationalization by increasing the costs of exporting and investing. Latin America's infrastructure is benefitting from a new wave of investment, but cumbersome bureaucracy, political risk, corruption and violence may limit the extent to which foreign business is willing to help the region develop new ports, railways and roads.

In sum Latin America continues to be a challenging place for business, and more so for exporters. But it is also home to large markets, such as Brazil and Mexico, and very rich in natural resources, including oil, gas, minerals and vast traits of fertile land. Latin America is endowed with stunning natural beauty, which holds high potential for the tourist industry. In some cases it has developed the needed skills to compete as an export hub in the world economy – Argentina, Colombia, Costa Rica, and Uruguay, for example, host several business outsourcing companies from the US, India and Europe; Mexico has some of the world's most productive automotive factories (King 2008; López, Niembro, & Ramos, 2014). The countries that managed to consolidate their economic reforms, such as Chile and, recently, Colombia and Peru, fostered a growth in entrepreneurship, with local firms exporting not only commodities, but also high value added products such as wine, salmon, fruit juices, processed vegetables, mining services, and software (Brenes and Haar, 2012). Some of the internationalized firms of Latin America are thus old established players, firms that managed to "learn" to operate in the unpredictable environments of the region and thrived by exporting first regionally and then globally their products. These include the producers of Flor de Cana and Zacapa, the rums from respectively Nicaragua and Guatemala, as well as the Chilean Concha y Toro in wine. Others are firms that developed from state owned enterprises in capital intensive sectors, such as Embraer and Petrobras, and went through a process of deregulation and partial privatization, using their assets and local knowledge to invest and compete globally. Some are firms that benefitted from monopolistic conditions in their domestic markets and then deployed their resources to enter new markets, mainly expanding in the Americas – these include airlines, breweries, and retailers. Finally, there is a whole new generation of small, entrepreneurial exporters that rely on personal networks and high managerial skills to overcome the challenges of internationalization (Ciravegna, Lopez, and Kundu, 2014). This Issue aims to shed some light on the ways in which existing theories can explain the internationalization of Latin American firms, providing examples from a broad range of countries.

The first article of this Special Issue is by Alvaro Cuervo-Cazurra, a scholar who played a leading role in advancing international business research on Latin America (Cuervo-Cazurra, 2008; Aguilera, Ciravegna, Cuervo-Cazurra, and Gonzalez-Perez, 2017). Cuervo-Cazurra sets the stage for this Issue, explaining the state of the art of our understanding of multilatinas. His contribution examines outward flows in foreign direct investment (FDI), discussing them in light of the historical evolution of Latin American economies. Cuervo-Cazurra points that, in spite of the emergence of multilatinas, Latin America's accounts for a very low percentage of the world's total foreign direct investment stock. This entails that Latin American firms have much potential for internationalizing, having been on average more conservative than their Chinese and Indian counterparts. It also calls for more understanding of the reasons why Latin American firms have not been investing more in foreign markets. Cuervo-Cazurra argues that Latin American firms should be studied more, as the peculiar contextual features of the region, such as pro-market reforms and reversals; create an interesting laboratory for studying the internationalization of emerging markets firms.

In the second article of this Special Issue "**Managerial perceptions of barriers to internationalization: An examination of Brazil´s new technology-based firms**", Ribeiro, Lahiri and Borini study the challenges of internationalizing from Latin America, focusing on Brazilian companies. Ribeiro et al. move from FDI and the macro outline set by Cuervo-Cazurra to a micro-level, i.e. the perceptions of the decision makers in charge of internationalizing. They examine the opinions of top executives, explaining the nature and effects of the barriers to internationalization faced by Latin American companies. They discuss the role of human resources, institutions and organizational capabilities, illustrating that the relatively slow internationalization of Latin American firms is the result of external factors, such as institutional weaknesses, but also of internal factors, such as organizational resources and capabilities.

In the third article, **“When distance does not matter: Implications for Latin American multinationals”**, Conti, Parente and Vasconcelos develop further the discussion about the geographic scope of Latin American firms’ internationalization. They build on the work of scholars of regional internationalization (Rugman and Verbeke, 2004; Lopez et al., 2008), examining which factors contribute to explain where Latin American firms go when they expand abroad. Conti et al. develop an interesting set of theoretical propositions based on existing EMNE and IB theory pointing to the importance of timing, ownership, and internationalization motives. They argue that state ownership reduces risk aversion, and that market seeking firms are more likely to target nearby markets, whereas firms searching for higher efficiency, natural or strategic resources are less affected by distance. Conti et al. posit that internationalizing timing also matters – firms that internationalized recently benefit from faster and cheaper communications, for example international calls using voice over protocol software, which reduce the costs and barriers related to expanding in faraway markets.

The fourth article “**Cross-national Uncertainty and Level of Control in Cross-Border Acquisitions: A Comparison of Latin American and U.S. Multinationals**” examines the international acquisitions of Latin American firms in a comparative perspective. Malhotra, Lin and Farrell draw from the literature on cross border acquisitions and on the expansion of EMNEs, illustrating that multilatinas behave differently from firms based in developed economies, displaying a remarkable preference for tight control structures when engaged into high-uncertainty acquisitions. Their results contribute to explain the nature of FDI outflows from Latin America, as well as some specific features of multilatinas.

In the fifth article of this Special Issue **“Unpacking the Ambidexterity Implementation Process in the Internationalization of Emerging Market Multinationals”** De Mello, Fleury, Stefaniak and Gama explore the internationalization process of Latin American firms by examining in-depth the case of a Brazilian high tech firm. They build on the ambidexterity theoretical framework, explaining how multilatinas may simultaneously exploit home advantages, such as growing markets, and develop the capabilities to compete regionally, internationally, and globally. De Mello et al. provide a clear account of the challenges multilatinas face, and illustrate how the ability to manage in their often complex home markets can be leveraged to support internationalization, even in the hyper-competitive information technology markets. Their contribution corroborates the work of Cuervo-Cazurra, Lahiri et al., Conti et al. and Malholtra et al., with rich empirical information and an evolutionary perspective of a leading internationalizer from the region.

The sixth article in this Special Issue examines further the role of ownership and control in Latin American firms. Echeverri, Galeilate, Gaitan-Riaño, Haar and Echeverri discuss the composition of boards of administration affects the internationalization strategy of Latin American companies, focusing on a unique dataset of Colombian exporters. “**Export behavior and board independence in Colombian family firms: A virtuous cycle”** **b**ridges IB theory and family business theory, showing that family ownership has negative effects on export behavior. The results of this contribution are coherent with the arguments of Malholtra et al.: family businesses may be more conservative with regards to internationalization, but when they go abroad, they tend to prefer higher control mechanisms. The prevalence of family owned firms in Latin America, both large diversified groups and small entrepreneurial SMEs, together with the specific strategic features associated with them; contribute to explain the internationalization trends of firms based in the region.

The seventh article **"Barriers and Public Policies Affecting the International Expansion of Latin American SMEs – Evidence from Brazil, Colombia and Peru"** discusses the internationalization of smaller firms based in Latin America, which have, thus far, being even more under-represented than multilatinas (Ciravegna, Lopez and Kundu, 2014). Cardosa, Fornes, Farbes, Gonzalez-Duarte and Ruiz-Gutierrez examine the drivers of Latin American SMEs' internationalization, focusing on the role of public policies. They build on the institution perspective to strategy (Peng et al., 2008), developed to study EMNEs, and apply it to the study of smaller firms and the way in which institutional factors affect them. Examining a dataset of 465 SMEs based in Brazil, Colombia, and Peru, Cardosa et al. illustrate the importance of having contracts with the public sector and links with larger business groups. Their findings suggest that the internationalization of multilatinas and family-owned business groups discussed by Cuervo-Cazurra, Malholtra et al. and De Mello et al. informs not only the debate on EMNEs but also helps improving our understanding of smaller firms' strategies to overcome the challenges of internationalization that Ribeiro et al. and Conti et al. discuss in their contributions to this Special Issue.

The eighth and ninth articles explore further the mechanisms that drive the internationalization of entrepreneurial firms based in Latin America. They corroborate studies of multilatinas, such as De Mello et al. in this Special Issue, with a perspective of firms that, being small and new, face simultaneously the liability of foreignness, smallness and newness when entering new markets. The two contributions analyze firms based in two key markets in Latin America – Mexico, the largest Spanish-speaking economy and a manufacturing powerhouse, and Chile, the economy that ranks higher in terms of competitiveness and market openness.

In the eight article**, "International Entrepreneurial Firms in Chile: an exploratory profile",** Amorós, Etchebarne, Zapata and Felzensztein examine data from the *Global Entrepreneurship Monitor´s* to explore the role of firm size, sector and entrepreneurial features in determining the outward orientation of new ventures from Latin America. They build on the resource based view of the firm (RBV) and show that firm-level resources and capabilities contribute to explain internationalization, even for new businesses. Amorós et al. argue that the technological intensity and sophistication of a sector is not a predictor of its outward orientation, a factor supported by evidence of the aggressive internationalization of many Latin American firms operating in traditional sectors (Cuervo-Cazurra, 2008; Felzensztein, et al., 2010). They point out that on average Latin American entrepreneurs continue to be not very oriented towards international markets, which is in line with findings about the barriers of internationalization and the preferences of family firms discussed by Lahiri et al.; Conti et al.; and Malhotra et al. in this Special Issue.

In the ninth article, "**Entrepreneurial Orientation, Marketing Capabilities and Performance: The Moderating role of Competitive Intensity on Latin American International New Ventures"** Javalgi and Lozano examine the internationalization of Mexican International New Ventures (INVs). Linking the RBV with the literature on entrepreneurial orientation and international marketing, the authors argue that entrepreneurial orientation per se is an insufficient predictor of internationalization performance for Latin American firms, highlighting the importance of marketing capabilities and competitive intensity.

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Table 1: Ease of Doing Business

Economy	Ease of Doing Business Rank (out of 189)
United States	7
Estonia	17
Malaysia	18
Taiwan	19
Thailand	26
Slovak Republic	37
Poland	32
Colombia	34
Peru	35
Mexico	39
Chile	41
Ecuador	115
Brazil	120
Argentina	124
Bolivia	157
Venezuela, RB	182

Source: World Bank Group, Doing Business Rank

Table 2: Corruption – Latin America in comparison

Corruption Perception Index	
Country Rank	**Country / Territory**
17	**United States**
21	**Chile**
26	**Estonia**
35	**Poland**
35	**Taiwan**
50	**Malaysia**
54	**Slovakia**
69	**Brazil**
85	**Peru**
85	**Thailand**
94	**Colombia**
103	**Bolivia**
103	**Mexico**
107	**Argentina**
110	**Ecuador**
161	**Venezuela**

Source: Transparency International

Table 3: Political Risk – Latin America in comparison

Political Stability Risk		
Country	**Rating**	**Score**
Argentina	C	50
Bolivia	C	55
Chile	A	20
Brazil	B	35
Ecuador	C	45
Peru	C	45
Colombia	B	35
Mexico	B	40
Argentina	C	50
Venezuela	D	75
United States	A	10
Poland	B	30
Malaysia	B	35
Thailand	D	65
Taiwan	B	30
Estonia	B	35
Slovakia	B	30

Source The Economist Intelligence Unit

Table 4: Most violent countries in the world

Murder Rate per 100,000 individuals	
Country	**2012**
Honduras	90
Venezuela	54
Belize	45
El Salvador	41
Guatemala	40
Jamaica	39
Swaziland	34
San Kitts and Nevis	34
South Africa	31
Colombia	31
United States	5

Source World Bank International Homicide per (100,000 people)